

AMEND DEPENDENTS ASSISTANCE ACT OF 1950, AS  
AMENDED, TO PROVIDE PUNISHMENT FOR FRAUDU-  
LENT ACCEPTANCE OF BENEFITS THEREUNDER

JUNE 20, 1956.—Referred to the House Calendar and ordered to be printed

Mr. KILDAY, from the Committee on Armed Services, submitted the  
following

R E P O R T

[To accompany H. R. 10683]

The Committee on Armed Services, to whom was referred the bill (H. R. 10683) to amend the Dependents Assistance Act of 1950, as amended, so as to provide punishment for fraudulent acceptance of benefits thereunder, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the proposed legislation is to amend the Dependents Assistance Act of 1950 so as to make it a crime to fraudulently accept benefits thereunder.

The absence of criminal sanctions in the present act has necessitated prosecutions under various fraud sections of the criminal code in cases where persons have wrongfully received allowances to which they are not legally entitled. However, successful prosecutions have been few since the Government must proceed under felony statutes which require proceeding by indictment and which carry too severe penalties. It has also raised questions of venue and proof difficult to solve.

Under the proposed legislation a person who obtains or receives any money, check, allowance or allotment under the Dependents Assistance Act without being entitled thereunder and with intent to defraud, shall be punished by a fine of not more than \$2,000 or by imprisonment for not more than 1 year, or both. The crime thus becomes a misdemeanor.

The Assistant Chief, Fraud Section, Criminal Division, Department of Justice appearing in behalf of enactment of the proposed legislation, indicated that numerous cases of so-called camp followers, that is, individuals who have married several service personnel, without obtaining prior divorces, have developed under the De-

pendents Assistance Act. These individuals, in many instances, have not been successfully prosecuted because of technical requirements under Federal felony statutes. For example, allotments for such individuals made aboard ship raise questions of venue that, for practical purposes, prevent prosecution.

The proposed legislation will still require the Government to carry the burden of proof of the actual intent to defraud.

The Department of Justice, with the occurrence of the Department of Defense, requests enactment of the proposed legislation, as indicated by the attached letter, hereby made a part of this report.

The Committee on Armed Services recommends enactment of the proposed legislation.

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OFFICE OF THE ATTORNEY GENERAL,  
*Washington, D. C., March 23, 1954.*

The SPEAKER,  
*House of Representatives,*  
*Washington, D. C.*

DEAR MR. SPEAKER: The Department of Justice recommends the amendment of the Dependents Assistance Act of 1950, as amended, so as to provide punishment for the fraudulent acceptance of benefits thereunder. A draft of a bill to carry out such recommendation is attached for your consideration and appropriate action.

The Dependents Assistance Act of 1950 provides for the payment of allowances for quarters to dependents of enlisted members of the uniformed services (37 U. S. C. 252) but it does not contain any criminal provisions. The absence of criminal sanctions in the act has necessitated prosecutions under various fraud sections of the criminal code in cases in which persons have wrongfully received allowances although not legally entitled to them. Successful prosecutions under these sections have been few because the Government has had to proceed under felony statutes which require proceeding by indictment and which carry too severe penalties. Such prosecutions have also posed difficult questions of venue and proof, which may be avoided in the future by the amendment here proposed. Under such prosecutions questions arise as to whether the offense was committed where the application for allowance was prepared, where it was mailed, or where it was filed, or whether the offense was committed where the check was received or where it was endorsed. A specific provision within the act, itself, making it a crime to receive any money, check, allowance, or allotment under the act would eliminate these questions.

The proposed legislation is not without precedent. The Servicemen's Dependents Allowance Act of 1942 contained penal provisions almost identical with those proposed by the legislation here under consideration. The attached draft bill is the same as the first of the two new sections proposed by the bill (S. 1754, 83d Cong.) which passed the Senate on April 19, 1954, and was subsequently referred to the House Committee on Armed Services.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

HERBERT BROWNELL, Jr.,  
*Attorney General.*